UNITED STATES DEPARTMENT OF AGRICULTURE

THE Agricultural Situation

ANNUAL OUTLOOK ISSUE

December 1952

Volume 36 **Number 12**

Page

[**The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work**]

A monthly publication of the Bureau of Agricultural Economics, United States Department of Agriculture, Washington, D. C. The printing of this publication has been approved by the Director of the Budget (January 18, 1952). Single copy 5 cents, subscription price 50 cents a year, foreign 70 cents, payable in cash or money order to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

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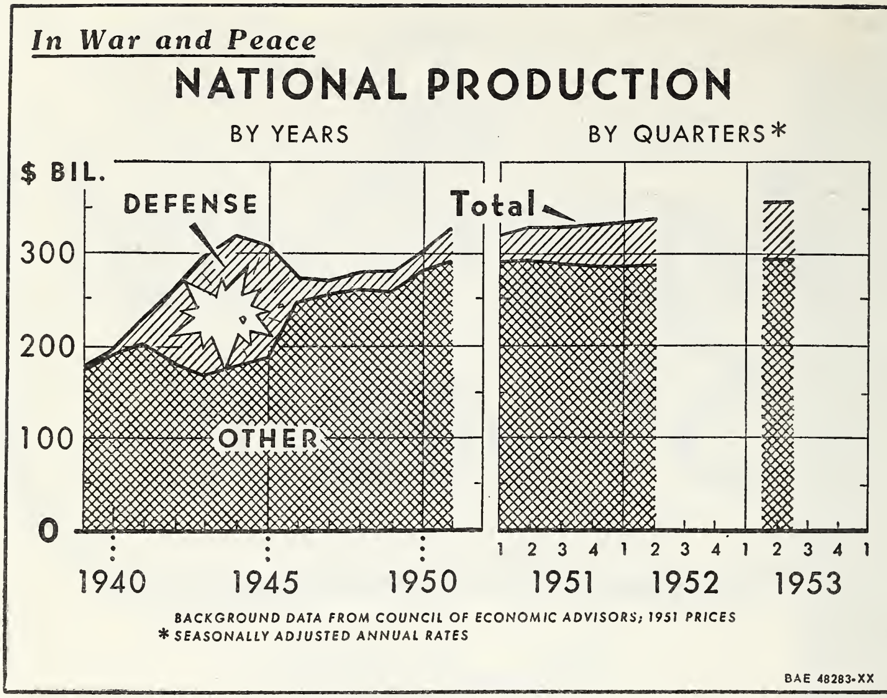

In War and Peace
NATIONAL PRODUCTION
BY YEARS
BY QUARTERS*
$ BIL.
DEFENSE
Total
OTHER
300
200
100
0
1 2 3 4 1 2 3 4 1 2 3 4 1
1940
1945
1950
1951
1952
1953
BACKGROUND DATA FROM COUNCIL OF ECONOMIC ADVISORS; 1951 PRICES
* SEASONALLY ADJUSTED ANNUAL RATES
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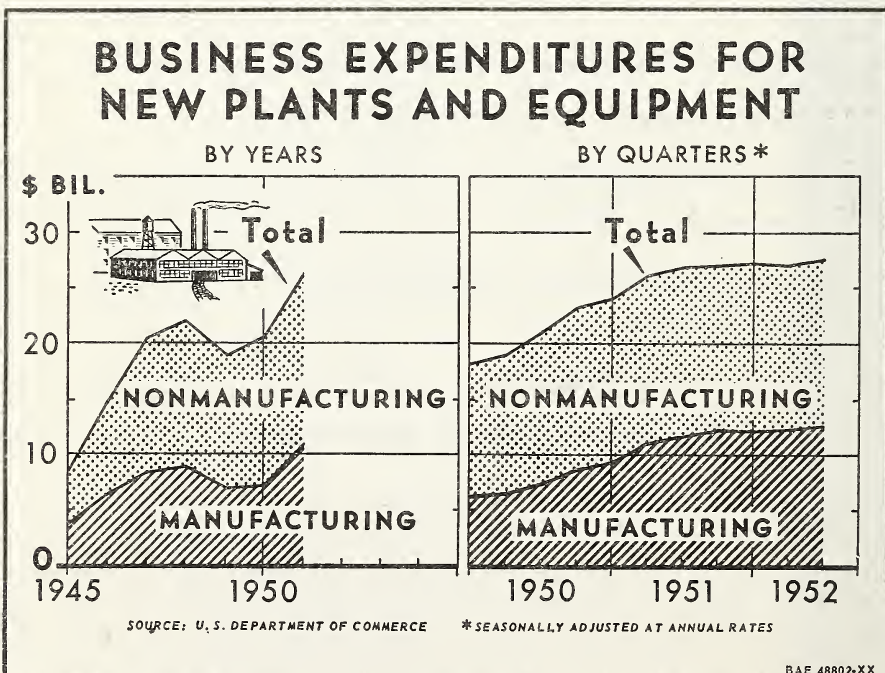

BUSINESS EXPENDITURES FOR NEW PLANTS AND EQUIPMENT
BY YEARS
BY QUARTERS*
$ BIL.
Total
Total
NONMANUFACTURING
NONMANUFACTURING
MANUFACTURING
MANUFACTURING
30
20
10
0
1945
1950
1950
1951
1952
SOURCE: U. S. DEPARTMENT OF COMMERCE
*SEASONALLY ADJUSTED AT ANNUAL RATES
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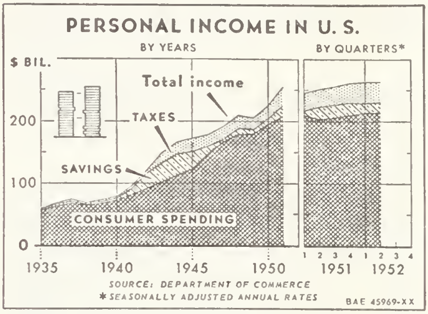
What Farmers May Expect in the Year Ahead

FARMERS can look for a continued high level of domestic demand for farm products during 1953. Employment will be maintained and wage rates and consumer incomes probably will rise moderately although economic activity may level off in the latter part of the year. Exports of farm products in the current fiscal year are down from record levels of a year ago and probably will continue at lower levels through 1953. Marketings of farm products next year are expected to hold near record levels if growing conditions are favorable. Some further easing in prices farmers receive seems likely for 1953, particularly for meat animals and vegetables.



Consumer incomes (purchasing power) have been rising steadily and are now at record high levels. Tax rate increases in 1950 and late in 1951 absorbed part of the rise. But incomes after taxes have also risen and probably will continue to increase gradually into 1953.

Demand Factors—At Home and Abroad

A further rise in defense spending into 1953 and prospects for only a moderate cutback in business demand for new plant and equipment are expected to result in a moderate rise in economic activity. Current schedules indicate that national security spending will rise—5 to 10 billion dollars from current levels—and reach an annual rate of 55 to 60 billion dollars in the last half of 1953. With a moderate increase in outlays by State and local governments for roads, schools, and other public facilities, total Government spending for goods and services may level off in the last half of 1953 at around 10 to 15 percent above the 78-billion-dollar rate for the third quarter this year.

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The productive capacity of industry has been expanded rapidly in recent years and some reduction in total business investment spending is in prospect for next year. However, remaining expansion goals should help to sustain a high level of business investment well into 1953. Outlays for the year may total only moderately below the record level for 1952.

With economic activity expected to rise, employment is likely to be maintained. Consumer income, after taxes, probably will be moderately higher than this year. The gain in consumer incomes, suspension of restrictions on consumer credit, and the rapid rebuilding of liquid asset reserves during

The charts on the opposite page show the trends in economic or business activity which for the most part determine the demand for farm products. High-level employment, consumer income, and purchasing power go hand in hand with high national production. Contributing to high output in 1952 were the increases in spending for defense and record expenditures by business for new plants and equipment. Spending for both purposes is expected to continue high in 1953.

1951–52 probably will support a continued rise in total spending by consumers during most of 1953. Over the past year, spending by consumers rose 10 billion dollars to a rate of 216 billion in the third quarter. In addition to higher incomes, the rise in spending reflected a reduction in the rate of personal savings.

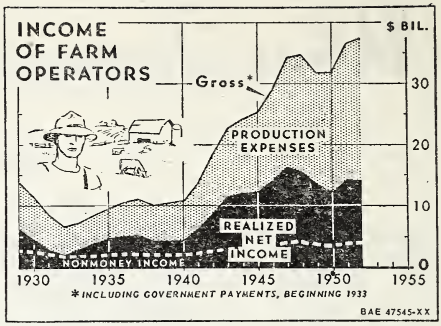
Combined outlays by consumers, businessmen, and the Government are not expected to rise by more than 3 to 5 percent. Such a gain in total demand probably can be met by increased output without strain on productive resources or significant upward pressure on prices.

In contrast to the strength shown by United States demand, foreign demand for our farm products is declining. During the current marketing year relatively large declines are in prospect for exports of wheat, cotton, fruits, grain sorghums, and a number of other commodities.

Supplies, Farmers' Prices and Prospective Income

Larger supplies of basic metals and expanded industrial capacity probably will provide an increasing supply of both consumer goods and military equipment in the coming year. Farmers' output of food and other farm products in 1953 also is expected to be near record levels if growing conditions are average. Marketings of meat animals probably will be larger, with most of the increase in cattle. Supplies of most truck crops, vegetables, and fruits also may be larger in 1953 if the weather is not unfavorable. Except for the large rise in wheat production, indicated food output this year is around 1 to 2 percent above 1951, about equal to the increase in population. Combined farm output in the present year—both food and nonfood—is at a record level, about 3 percent above 1951.

With prospects for a continued large volume of marketings and a reduction in foreign demand for farm products, prices received by farmers in 1953 are expected to average a little lower than this year. Farm product prices in the third quarter of 1952 averaged near the level of a year earlier. Crop prices, however, were about 11 percent higher



FROM ITS 1947 peak of 16.8 billion dollars, farm operators *realized net* income dropped steadily to a postwar low of 12.3 billion dollars in 1950. Less than half of this loss was regained in 1951, when realized net income rose to 14.3 billion dollars, and no further recovery is occurring in 1952. Gross farm income in 1952 is a little higher than in 1951, but the increase is more than matched by higher costs. Consequently, net income in 1952 is apparently slightly less than in 1951.

From 1942 through 1947, farmers retained as net income about 50 percent of their annual gross income. Since then, however, expenses have taken a larger and larger proportion of gross income; and in 1952 only about 38 percent of gross income is being retained in the form of net income. This is the smallest percentage ever recorded except in the severe depression years of 1921 and 1931–33.

Farmers' *net income*, of course, remains much above the pre-World-War-II levels.

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while average prices for livestock products were down 7 percent. Price changes over the past year, in general, reflect a high level of demand for farm products and the varying supply situations for major groups of commodities.

With prospects for some further easing in prices received by farmers and continued large marketings, farmers' cash receipts in 1953 are not likely to exceed the 33.5 billion dollars estimated for 1952. Cost rates to farmers for most commodities used in farm production and farm wage rates are likely to rise gradually over the coming year. Interest and tax charges per acre also will be higher. As a result, the farmers' realized net income is expected to be somewhat smaller than the 14.2 billion dollars estimated for 1952.

Rex F. Daly
Bureau of Agricultural Economics

Lower Export Demand a Factor in Price Outlook for Farmers

A REDUCTION in foreign demand for United States agricultural products probably will be an important factor in the further easing of prices received by farmers expected for 1953. The value of our agricultural exports in the 1952–53 marketing year may be down nearly one-fifth from the level reached in 1951–52 when our shipments abroad were at an all-time high, valued at 4 billion dollars or 20 percent larger than in the preceding year.

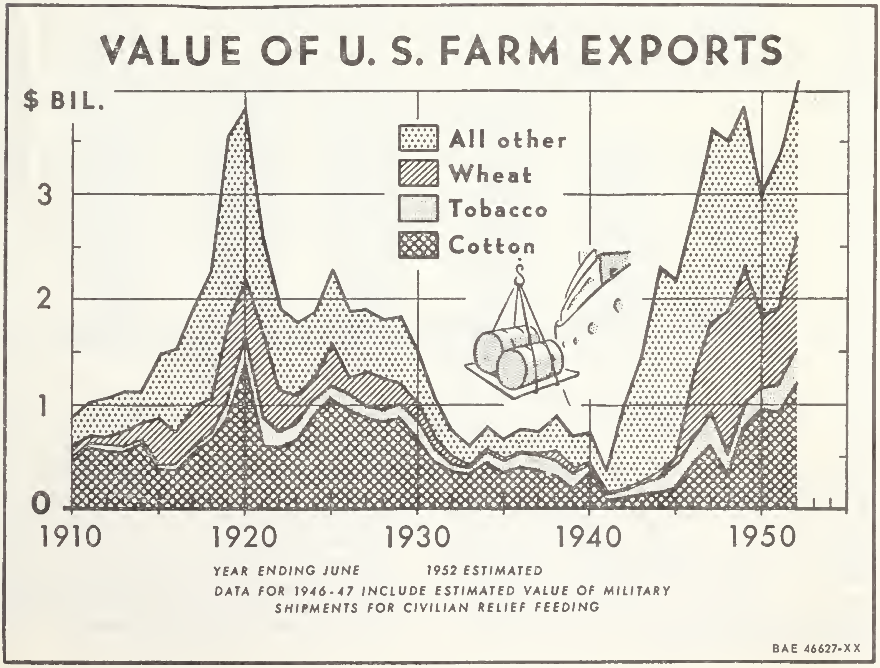
The foreign supply of gold and dollars available during 1952–53 (excluding foreign military aid) may total about the same as a year earlier. However, some importers of United States farm products, particularly the United Kingdom, will have fewer dollars to spend than in 1951–52.

Furthermore, our neighbors abroad are now producing more of some of the things they have been buying from us. A general increase in foreign supplies of wheat, cotton, and some fruits probably will contribute to reduced foreign demand for these products. Lower prices of competitive foreign-produced goods also may restrict some United States exports.

Exports of Wheat, Cotton, Tobacco, and Oils

The export outlook for some of the major farm products is as follows:

Domestic supplies of wheat are large but there has also been a general increase in foreign supplies of wheat. Canada has a record wheat crop; Argentina is expected to return to a wheat export basis early in 1953; and supplies in Western Europe, French North Africa, the Near East, and India have improved. Thus, exports of United States wheat in 1952–53 may be down nearly one-third from the 473 billion bushels exported in 1951-52.



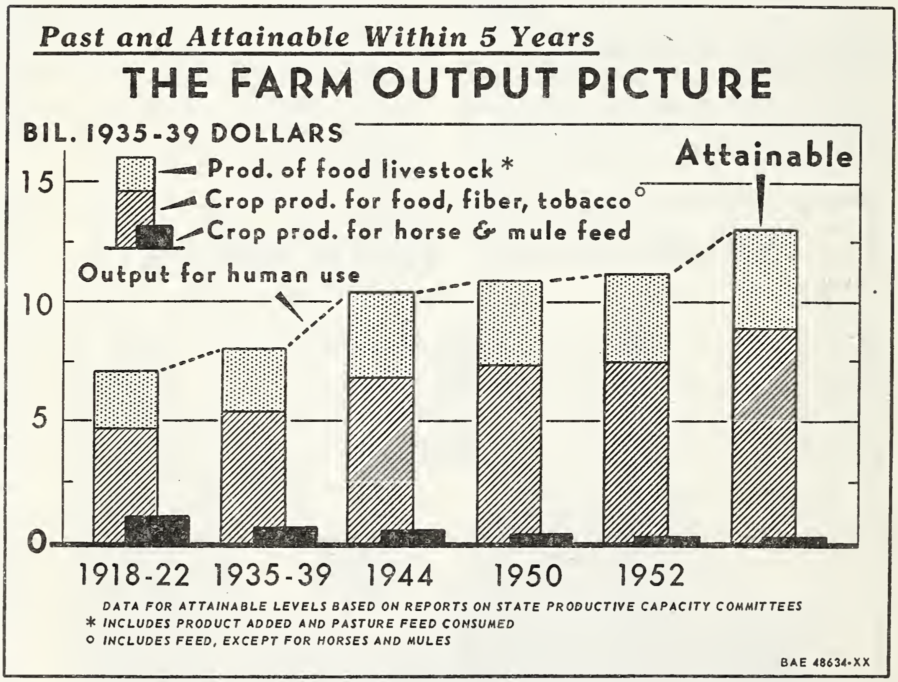
Exports of cotton for the 1952–53 season may be down about 1 million bales from the 5.5 million exported in 1951–52. Increased foreign supplies, lower prices than last year for foreign competitive types, and the currently low level of operation of the foreign textile industries are expected to reduce export demand for United States cotton.

Export demand for United States tobacco in fiscal 1952–53 is being affected by limited dollar exchange available to major foreign importers of United States tobacco. This is particularly true of United Kingdom, the leading foreign outlet which took 37 percent of total tobacco exports during 1947–51. Export demand for 1953–54 is expected to be firmer.

Continued large exports of fats, oils and oilseeds are in prospect for 1952–53. With big domestic supplies and relatively low prices, exports of inedible tallow and greases probably will continue near the peak level in 1951–52. Because of the efforts of the United Kingdom to conserve dollar exchange, lard exports to that country will continue low. But with foreign supplies of edible oils no larger than a year ago a good export demand for United States edible oils is in prospect for 1952–53 from areas other than the United Kingdom.

A generally high level of domestic demand and smaller domestic supplies of *grain sorghums, barley, apples, dried prunes,* and a number of minor commodities probably will limit exports of these products.

C. F. Wells
Bureau of Agricultural Economics



IF NEEDED, American agriculture could increase its total output by around one-fifth within a 5-year period, provided there were favorable cost-price relationships during that time, as well as availability and use of greatly increased quantities of fertilizer, machinery, and other producton goods. This is the conclusion reached by 48 State *Productive Capacity* Committees in an appraisal of the expansion in farm output which would be possible under the conditions specified.

The increase, it was estimated, would have to come primarily from increased crop and livestock yields through greater adoption of known improved production practices.

A Letter TO CROP REPORTERS

SO, here we are again, almost time to get out the old white whiskers and red suit. I don't know who gets the biggest kick out of Christmas, we or the kids. I played Santa at a party last year and I am sure not one of the little tykes got any more fun than I.

This is also the season of the year when we take time out to sum up the happenings of the past 12 months and try to do a little planning for the next season. That is the reason we get together, each fall, with specialists from all over the country to hold what we call the Outlook Conference. This is not a new thing. It has been going on for 30 years, and the primary purpose is to assist farmers in planning for the crop year just ahead. So, like last year, we are devoting this issue of the *Agricultural Situation* to the Outlook report.

Because this report has become such an institution in the Department, I asked Bushrod Allin, chairman of the Outlook and Situation Board, to give me a few comments. The first thing he said was that he wished all of the voluntary crop reporters could understand that an Outlook report would be an impossibility if it were not for the assistance they give by reporting on their farm operations.

As he said, you can't do very much outlooking on a problem of this sort without knowing where you've been and where you are. Of course, to fully appraise the demand side of the picture requires statistical data from several other sources, but for basic information on the supply side it is necessary to start right at the farm.

This brings up a subject which I think would be of interest to you. The Bureau of Agricultural Economics is a pretty close-knit team. Each segment of the Bureau (it isn't very large in terms of the number of people on the payroll) works very closely with the others. In this way we try to get out to you all of the pertinent facts, along with a rounded-out analysis of the over-all situation as we see it. Of course, we don't expect everybody to agree with us; but at any rate, we want you to have the basic facts, so if you don't agree you can analyze the situation for yourself.

Now about this Outlook, Allin—"Bush" we call him—gave us this thumbnail sketch:

Prices received by farmers this year are averaging about 3 percent below 1951. Some further easing of prices seems probable for 1953. Farm costs are likely to inch gradually upward, resulting in a further cost-price squeeze; and net income of farm operators may be a little smaller than in 1952 and much below 1947 and 1948. Even so, farm incomes will continue to be good compared with any prewar standards.

Economic activity may level off in the latter part of the year if outlays for the defense program are stabilized, but domestic demand for farm products will continue high through most of 1953. Exports of United States farm products this year are down from the record levels of a year ago and probably will continue at about current levels through 1953.

The rise in cattle slaughter in 1953 is expected to more than offset the reduced hog slaughter. Cattle prices may average some lower than in 1952, with not much change in hog prices. Prices for dairy products and eggs will probably average a little higher than this year. Feed prices in the 1952–53 feeding season are likely to average about the same as in the 1951–52 season.

Now this is just a quick sketch of the over-all items. I am sure all of you will want to look at the complete report for the commodities in which you are particularly interested. If you haven't already received copies of those you need, let me know.

In the meantime, don't wait too late to dust off that Santa Claus suit and be sure the moths haven't gotten in the whiskers. I hope you have a grand and happy Christmas holiday.

S. R. Newell, Chairman
Crop Reporting Board, BAE

Farm Commodities Outlook

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THE WRITERS of these commodity summaries, by subjects, are: *Food,* **Marguerite C. Burk and Harry Sherr;** *Feed,* **Malcolm Clough;** *Meat Animals,* **Harold Breimyer;** *Dairy Products,* **Herbert Kriesel;** *Poultry and Eggs,* **Edward Karpoff;** *Wheat,* **Robert Post;** *Fruit,* **Ben H. Pubols;** *Vegetables,* **Herbert W. Mumford, Jr.;** *Oilseeds,* **Sidney Gershben;** *Tobacco,* **Arthur G. Conover;** *Cotton,* **Frank Lowenstein;** *Wool,* **Albert M. Hermie.** All are economists in the *Bureau of Agricultural Economics.*

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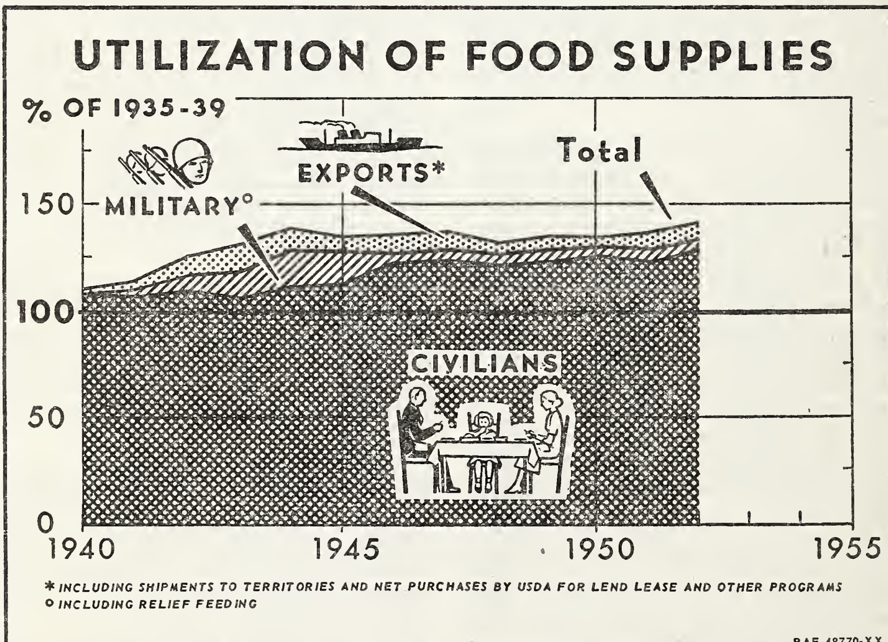
FOOD SUPPLIES available in domestic markets in 1953 are expected to provide civilians with at least as much food per person as in the three preceding years.

Food production in the United States in 1953 may equal or even exceed the 1952 output. The large number of livestock on our Nation's farms and ranches point to a continued heavy output of meat and poultry products. Likewise, if the weather is more nearly normal, larger food crops than in 1952 are likely. In addition, imports, which add to the total food supply, probably will be about as large in 1953 as in the preceding year.

Noncivilian purchases of food from the domestic supply in 1953 are expected to be smaller than the comparable 1952 total, unless the international situation should grow worse.



Most of the food we produce is used here at home . . . and the quantity available for distribution in 1952 has been the largest in our history. Food disappearance this year has been more than 40 percent greater than prewar and about 2 percent above the peak reached in 1944.

The very large output of food in 1952, together with imports and a moderate reduction in our stocks, made it possible for civilian consumption to increase from the previous year's level even though military takings expanded and the volume of food exports remained large.

Food procurement by the Armed Forces probably will approximate that in 1952. On the other hand, the export demand for United States food commodities, principally grain, will be reduced in 1953 because of better harvests in other food exporting countries and in several of the major food importing countries. In addition, the shortage of dollar exchange in some countries will tend to restrict food exports from the United States to those areas.

United States civilian consumption of food per person in 1953 is expected to be substantially the same as in the preceding year. However, some change is likely in the composition of civilian diets, on the average. Present prospects point to some increases over the 1952 rates in per capita consumption of beef and veal; chicken; margarine; frozen fruits, fruit juices, and vegetables; fresh vegetables; and sweetpotatoes. These increases will to some extent be offset by likely declines in the consumption of pork, eggs, turkey, and butter.

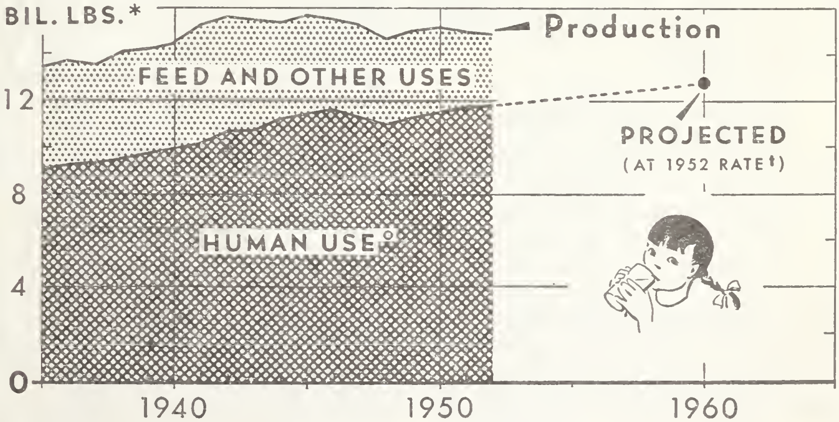
Retail food prices in 1953 are expected to average approximately the same as in 1952 unless weather conditions are unfavorable or the international situation worsens. Strong consumer demand for food, which will be sustained by the expected continued high level of income and the increase in our population, probably will absorb any slight increase in total civilian supplies. The expected continued rise in processing costs will also contribute to maintaining the retail food price level. For individual foods, however, retail prices will change as market supplies vary from season to season.

Dairy Products

DAIRY farmers can expect another year of good markets for their milk products. Consumer demand will continue strong and milk prices probably will average a little higher in 1953 than in 1952. Cash receipts from marketings probably will be up a little next year but production costs also will be large and net income from dairying in 1953 probably will be little different from 1952.

Production of milk in the United States has not increased in the past decade in contrast to large increases in population and in total agricultural output. This has resulted partly from

RISING SHARE OF MILK OUTPUT GOING INTO HUMAN CONSUMPTION



* TOTAL MILK SOLIDS ° EXCLUDES EXPORTS, INCLUDES RELATIVELY SMALL IMPORTS
† PROJECTION SHOWING WHAT U.S. MILK SOLIDS CONSUMPTION WOULD TOTAL IN 1960 AT THE SAME RATE OF CONSUMPTION PER PERSON AS IN 1952, ALLOWING FOR MEDIUM POPULATION INCREASE AS PROJECTED BY BUREAU OF THE CENSUS

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the fact that on both specialized dairy farms and on general farms, hourly returns from dairying have increased much less than those from other enterprises. Recently, dairy prices have improved relative to some competing products. But the improvement in prospect by the end of 1953 is not likely to be sufficient to bring a large increase in milk flow. Milk output next year may be only slightly greater than that in prospect for 1952.

With stable flow of milk and a rising trend in population, the per capita production of milk has declined to a record low level. This has resulted in a decline in consumption of milk fat. But by using a larger proportion of milk-solids-not-fat, for food, instead of for feed, the consumption of this component of milk has increased around 20 percent in the last two decades. Still only seven-tenths of the annual output, however, is being used for food. More complete utilization of these solids-not-fat would permit the people of this country to continue to obtain as much total milk solids per person as at present without any increase in total milk production before 1960.

Consumption of each of the dairy products except butter in 1953 will be as large as in 1952, or a little larger. Consumption of butter probably will decline to a new record low of just above 8 pounds per person, less than half of the 1935–39 average. Margarine consumption, on the other hand, reached 7.7 pounds in 1952 and will be large again in 1953.

Poultry and Eggs

THE YEAR now ending has not been a good one for egg producers. For most turkey producers, holiday marketings largely determine how good a year they have. The experience to date has been less favorable than last year. Broiler producers, despite their ups and downs, have fared moderately well in 1952.

For egg producers, the outlook indicates considerable improvement. Against an expected good consumer demand there will be a reduced supply of eggs. On January 1, 1953, there are likely to be 2 to 4 percent fewer layers on farms than a year earlier. This suggests a smaller 1953 egg output than 1952's record high production, and higher springtime egg prices than in 1952.

Higher egg prices next spring would result in a larger number of chickens being raised in 1953 for laying flock replacement. With feed costs likely to be near 1952 prices, the egg-feed ratio might be as much as 10 percent above the ratio in the spring of 1952 and the number of chickens raised might increase by as much as 5 percent from 1952's figure of 617 million.

Broiler production probably will increase slightly in 1953, but not as much as the estimated 9 or 10 percent increase that occurred in 1952. A slower rate of increase is expected because producers and financiers are coming to recognize that broiler production is no longer the bonanza that it used to be. In view of the potentially larger broiler supply, and increased competition from red meats, broiler prices in 1953 may average slightly lower than in 1952.

Feed

THE NATION'S supply of feed grains and other concentrates for 1952–53 is a little smaller than in any of the past 3 years but is again much larger than before World War II. This year, there are marked differences among areas. The bumper crop of good quality corn in the Corn Belt will provide ample feed for that area and permit heavier marketings than in 1951–52. In the South, however, where drought sharply reduced feed grain production, feed supplies are short. This is resulting in greater than usual price differences between these areas and heavier than usual movement of feed from the Corn Belt to the south.

The 1952 production of feed grains was 5 percent larger than in 1951 and appears to be about adequate for our 1952–53 needs, without requiring further withdrawal from reserve stocks. In 1951–52, feed-grain production fell somewhat short of our total requirements and carry-over stocks at the end of the season were reduced about 30 percent, or to 20 million tons.

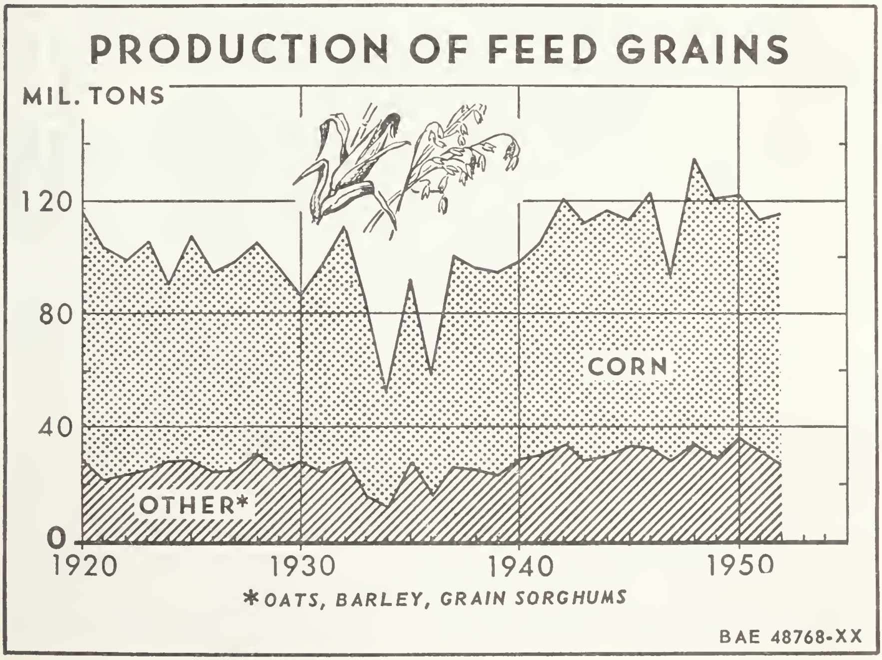
Smaller carry-over stocks of feed grains this season than in 1951–52 are largely responsible for the 2-percent reduction in the total supply of feed concentrates. Supplies of byproduct feeds are expected to be nearly as large as the record supply last year. Wheat and rye feeding is expected to continue near the comparatively low level of recent years. Since farmers are raising fewer hogs, the number of grain-consuming livestock on farms is expected to be a little smaller than in 1951–52. This means that the supply of feed concentrates per animal unit is about equal to that of last year although somewhat smaller than in the three preceding years.

The total 1952–53 corn supply of 3,792 million bushels is 3 percent larger than last year. The 1952 crop of 3,303 million bushels is 361 million bushels larger than last year while the carry-over of 489 million bushels was 250 million bushels smaller. The larger corn crop this year appears to be adequate for our needs and may permit some increase in carry-over at the close of the 1952–53 season.

Supplies of other feed grains are smaller than last year, which probably will result in smaller carry-over stocks of these grains.

The big corn crop in the Corn Belt has resulted in more of a seasonal decline in corn prices this fall than in either of the past 2 years. Corn prices have been somewhat lower this fall than a year earlier, but are expected to rise seasonally later in the marketing year. Prices of barley and sorghum grains have been considerably higher so far this season than a year earlier, as a result of smaller supplies. Corn prices declined below the 1952 support price of $1.60 per bushel this fall, while other feed-grain prices have been above the supports.

The hay supply for 1952–53 is a little smaller than last year and the smallest in recent years per animal unit. Dry weather this fall over large areas of the country has greatly reduced feed from pastures and ranges, making it necessary to feed more hay than usual early in the season. Hay supplies are especially short in the South where drought sharply reduced 1952 production.



Wheat

THE NATIONAL wheat production goal for the 1953 harvest calls for 72 million seeded acres. This compares with 77.5 million acres for the 1952 crop, and the 1947–51 average of 78 million acres. With average yields, the 72 million-acre goal would result in a crop of about 1,080 million bushels. A crop of this size with the prospective larger carry-over of old wheat would result in record supplies for the 1953–54 marketing year. The first estimate of the 1953 winter wheat crop will be made December 19, 1952. Lack of rainfall up to mid-November has been unfavorable for the fall seeded crop, particularly in the southern Great Plains and part of the Pacific Northwest. In late June, the Secretary of Agriculture announced that, in view of the uncertainty of world conditions, there would be no wheat acreage allotments or marketing quotas for 1953.

Supplies of wheat for the 1952–53 marketing year may total about 1,580 million bushels. This consists of a carry-over, July 1, 1952, of 257 million bushels, production estimated at 1,299 million bushels, and likely imports of feeding quality wheat of about 25 million bushels. Domestic disappearance is estimated at about 700 million, slightly larger than in 1951–52, but exports are expected to decline about 30 percent. As a result the carry-over July 1953 may be about 550 million bushels compared to the 1942–51 average of 335 million and the record 631 million in 1942. Foreign demand for United States wheat is expected to be down from 1951–52 as a result of a record Canadian crop and improved supply positions in Western Europe, North Africa, the Near East, and India.

Cash wheat prices have advanced since mid-summer and in mid-November were near or above the effective loan level. Prices of soft red winter wheat remained the exception. With large supplies of this class of wheat, prices were still about 14 cents below the effective loan. For the 1952–53 marketing year as a whole, prices of wheat probably will average near the effective loan level—the support price of $2.20 per bushel minus a storage deduction. The minimum support level announced for the 1953 crop is $2.21 per bushel, about the same as the support level for the 1952 crop.

Fruit

CONTINUED strong demand for fruit is expected in 1953. Although consumer demand probably will be about the same as in 1952, demand from processors may be somewhat stronger. Reduced exports of fruit are in prospect for 1953.

The 1953 deciduous crop probably will be moderately larger than the 1952 crop, assuming average weather. Under the above conditions, the general level of prices received by growers for the 1953 deciduous crop is likely to be about the same as in 1952. However, with reduced carry-over stocks of canned fruits, prices for some fruits for processing may be somewhat above the relatively low 1952 prices. Total production of tree nuts may be a little larger in 1953 than in 1952.

The 1953–54 pack of dried fruits may be somewhat smaller than the large 1952–53 pack. But output of canned fruits is likely to increase, as a consequence of smaller carry-over stocks at the start of the 1953–54 canning season and a larger 1953 deciduous crop. Although a small increase in pack of canned citrus juices is expected in 1952–53, there may be no further increase in 1953–54. Output of frozen citrus juices is expected to increase again in 1953. But there may be only a small increase in production of frozen deciduous fruits and berries in 1953. The 1953 crop of strawberries, the leading berry frozen, probably will be smaller than the 1952 crop.

With increased production of oranges more than offsetting a decrease in grapefruit, total production of citrus fruits is expected to be slightly larger in 1952–53 than in 1951–52. However, supplies of fresh grapefruit as well as of fresh oranges are expected to be adequate for the usual needs during the coming winter and spring. Grower prices for oranges and grapefruit for making into canned and frozen juices may be somewhat higher this winter than in this part of the 1951–52 season.

Continued high prices seem likely for the remainder of the 1952 apple and

pear crops. No export-payment programs are contemplated for apples, pears, and dried prunes in 1952–53, but one is in operation for raisins.

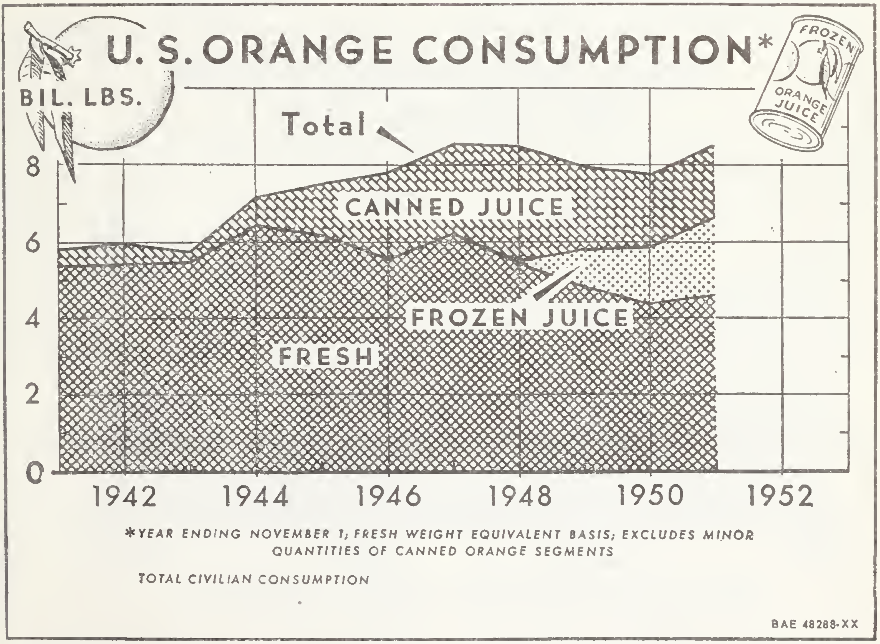
Vegetables

ENCOURAGED by the relatively high prices received in the last year or two, farmers in general are apt to plant increased acreage of potatoes, sweetpotatoes, and some fresh market truck crops in 1953 compared with the acreage planted in 1952. Whether such increased acreage will also mean larger supplies produced depends in considerable part upon the weather. Consumer demand for vegetables in 1953 probably will be fully as strong as in 1952. If production increases are only slight, prices for vegetables next year probably will average only moderately lower than in 1952.

The 1953 outlook for producers of truck crops for commercial processing is one of generally sustained demand at about 1952 levels. Commercial processors may seek larger acreages of beets, tomatoes, and perhaps also green peas. On the other hand, probably a smaller acreage and tonnage of sweet corn may be sought. Supplies of commercially canned vegetables now available are generally adequate to supply the continued strong demand at no more than moderate increases in price until well into 1953.

Current supplies of frozen vegetables in commercial storage are ample. Further gains in the upward trend in consumption of frozen vegetables is expected to provide a ready market for these large quantities.

Higher prices of dry beans and peas reflect the smaller total supplies of these items than a year earlier. Further reduction of carry-over stocks of dry beans will result from this year's operations and the higher prices may encourage the planting of increased acreage in 1953.



Consumption of frozen orange juice has been increasing. In 1951, consumption of the frozen juice for the first time exceeded that of canned orange juice. Fresh oranges comprised about 54 percent of total orange consumption in 1951, compared with about 92 percent in 1941. Total orange consumption has increased nearly half since 1941. Use of frozen juice has continued upward during 1952.

Meat Animals

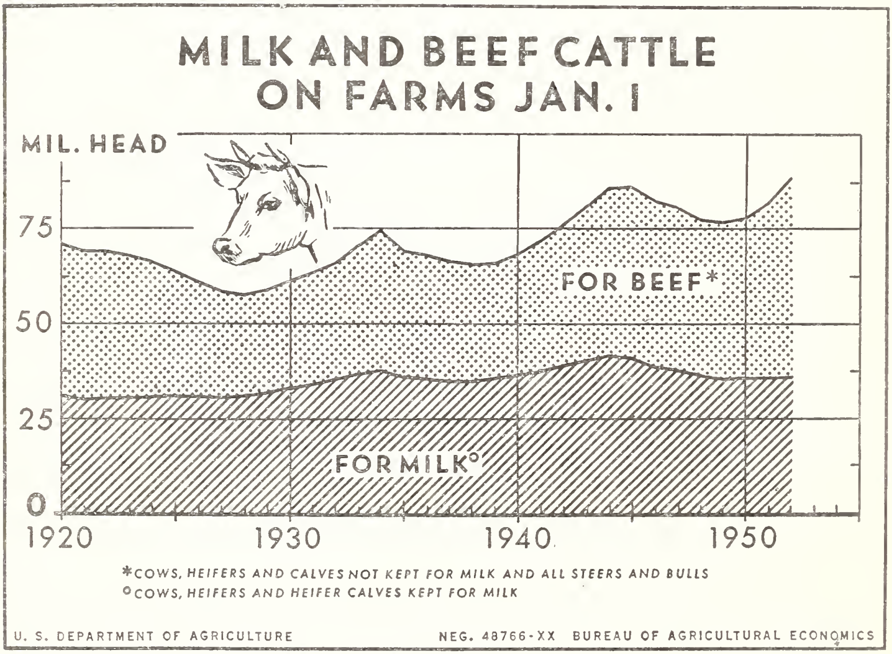
MORE CATTLE but fewer hogs will be slaughtered in 1953 than in 1952. As the increase for cattle will be greater than the decrease for hogs, the total meat supply will be larger. Prices for cattle may average somewhat lower than in 1952, and for hogs about the same as in 1952.

Cattle production has been expanding for 4 years. The number of cattle and calves on farms climbed from 77 million in January 1949 to around 93 million expected in January 1953. Cattle slaughter is now increasing as a result of the build-up in numbers and it will continue to increase in 1953. If there is no severe drought next year, cattle and calf slaughter will be up perhaps 10 or 15 percent from 1952. If a drought should occur, a much bigger gain can be expected.

Prices of cattle have already weakened in response to the rising slaughter. Price declines have been especially sharp for cows and young stock. In 1953 cattle prices in general will likely be somewhat lower than this year. But changes will be more uniform by kinds of cattle. So far, prices of feeders and lower-grade cattle have shown much greater declines than prices of fed cattle. Prices of cows and feeder cattle, though averaging lower than in 1952, will probably strengthen moderately this winter and, unless there is drought, will not likely decline as sharply next fall as they did this fall.

As farmers paid sharply lower prices for feeders this fall, prospects are for better profits from feeding this winter than last, despite somewhat reduced selling prices for fed cattle.

Cattle prices bore an unusually high ratio to other livestock prices in 1950 and 1951. Present declines are in part a return to more normal relationships. It is because cattle numbers have expanded so fast and because slaughter is due to increase over several years that prices are expected to adjust further. Even so, if employment and consumer demand remain high, the out-



Beef cattle numbers, now at a record high, are still increasing. Cattle slaughter is also on the upgrade, and will continue to rise in the next few years.

Numbers of cattle for milk increased gradually from 1920 to the mid-1940's but are now back to their level of the late 1930's.

look for cattle in the longer run would appear to be favorable.

Pig crops have been reduced around 9 percent in 1952. Hog slaughter will consequently be down about that much in 1953. Increased supplies of beef will prevent prices of hogs from strengthening greatly. However, hog prices this winter are expected to exceed the depressed prices of last winter. Later in 1953 prices of hogs will likely be about as high as this year. The hog-corn price ratio may be near average next year, providing about average returns from production.

Many more sheep and lambs have been slaughtered in 1952 than a year before. This indicates that the uptrend in production that began in 1950 is already halted. Prices of lambs next year will feel the effect of the increasing supply of beef, yet may average close to this year's prices. Over the next several years the prices of lambs and wool are likely to be maintained better than cattle prices.

Oilseeds

PRICES received by farmers for 1952 crop soybeans probably will average at least as high as last year's season average price of $2.73 per bushel. In recent years, developments in soybean processing and marketing have had an upward effect on soybean prices. These include increasing crushing capacity and hence more intense competition for beans among crushers, higher oil yields resulting from increased use of solvent extraction, and the fact that farmers are extending their marketings over a longer period of time.

Prices to producers for 1952 crop cottonseed are likely to average near the 1951 season average of $69.30 per ton. Drought, high-level livestock production, and a smaller output of cottonseed has created a strong demand for cottonseed meal and hulls for use as feed. Market prices for meal and hulls so far this year have been above a year earlier and about offset lower prices for oil and linters.

Although production of flaxseed is down somewhat from last year, total supplies of flaxseed and linseed oil are large. Flaxseed prices are fluctuating about the support price of $3.77 per bushel (farm basis) and little change is likely during the rest of the marketing year. Last year, farmers received an average price of $3.71 per bushel.

The 1952 peanut crop is the smallest since 1939, reflecting declines in acreage and yield. Supplies will be sufficient to meet domestic requirements for edible use but practically no peanuts will be exported and only those which do not meet standards for other uses will be crushed. Prices received by farmers are expected to average well above the 10.4 cents per pound received for the 1951 crop. Last year's average included lower prices received for peanuts sold for crushing as well as quota peanuts sold at support prices or above. The national average support price for 1952 crop peanuts is 11.97 cents per pound.

Supplies of fats and oils in prospect for the 1952–53 marketing season are about as big as last season's peak, with a large carryover of lard and vegetable oils offsetting an expected drop in output of lard and butter. With a continued high level of consumer income and industrial activity expected, domestic disappearance will be at least as great as in the past year. Exports of fats, oils and oilseeds in the past year were at a near record level and are expected to be nearly as great in 1952–53. Most of the decline in exports is likely to be in lard.

In contrast to the sharp decline which occurred during the first half of the 1951–52 season, prices are expected to increase slightly as the season progresses. CCC owns about one-third of the carry-over of old crop cottonseed oil. As of December 1, CCC had accepted tender of about 17 percent of the estimated output of 1952 crop cottonseed oil. If CCC takes possession of substantial additional quantities of new crop cottonseed oil, prices of edible fats would tend to strengthen later in the season, as the CCC resale price for domestic use is higher than the current market level. The general level of fats and oil prices in November 1952 was about 15 percent less than the year before.

Tobacco

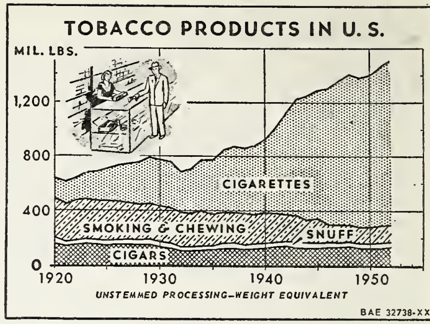
THE DEMAND for tobacco for cigarette manufacture in this country is expected to continue strong in 1953. Cigarette output in 1953 is expected to go above the record 430 billion estimated for 1952. Export demand for flue-cured and Burley—the major cigarette types—may be firmer in 1953, since the economic positions of some major importing countries have improved. Tobacco exports during the present year are estimated at 10 to 15 percent below the 1951 level and dropped off mainly because of the limited dollar exchange available to some foreign purchasers—mainly the United Kingdom.

The carry-overs plus the 1952 crops of flue-cured and Burley provide 1952–53 supplies that exceed the 1951–52 levels by around 5 percent. Smaller crops are expected in 1953, since the announced acreage allotments are moderately less. Supplies of Maryland tobacco, also mainly used in cigarettes, are relatively large.

Price supports at 90 percent of parity are mandatory when marketing quotas are in effect, and will be extended to some additional types in 1953. Marketing quotas applicable to the 1953 crop were approved by growers of Maryland tobacco and also the cigar filler and binder types produced mainly in Connecticut, Massachusetts, Wisconsin, and Ohio. Producers of Pennsylvania cigar filler (type 41) voted against a marketing quota for the 1953 crop.

The 1952 cigar consumption in the United States and by overseas forces is estimated at near 6 billion—about 4 percent more than in 1951. A further relatively small gain may occur in 1953. The 1952–53 supplies of cigar filler and binder are estimated at about 5 percent lower than their 1951–52 levels but cigar wrapper supplies remain close to the high levels of recent years.

The principal domestic outlets for fire-cured and dark air-cured tobacco are snuff and chewing tobacco. The 1952 production of these products is estimated as being a little lower than last year. Snuff is expected to remain fairly stable in 1953 but the downward drift of chewing tobacco is likely to continue. The 1952–53 supply of fire-cured tobacco is a little lower than for 1951–52 but, for dark air-cured tobacco, the 1952–53 supply is practically the same as in 1951–52.



Cotton

THE UNITED STATES supply of cotton in the 1952–53 crop-year is estimated to be larger than in 1951–52. With disappearance likely to decline, the carry-over on August 1, 1953, will be larger than a year earlier.

Disappearance of cotton in 1952–53 will probably be around 14 million bales, about 800 thousand bales smaller than last season. It is difficult to precisely estimate disappearance at this time, but current indications are that it will be within 600 thousand bales of the above estimate. Since 1930–31, disappearance has exceeded 14 million bales in only 5 years, 3 of which occurred since 1948–49.

Domestic consumption of cotton in 1952–53 will probably be about 9.5 million bales (plus or minus 300 thousand bales), moderately more than the 9.2 million bales of last season. This estimate is based on the prospect that economic activity and purchasing power will increase moderately over 1951–52, and assumes that international tensions will show no significant change.

If there is no material change in the international situation, exports of cotton from the United States in 1952–53 are expected to drop from the 1951–52 level of 5.5 million bales to around 4.5 million (plus or minus 300 thousand bales). Stocks at the beginning of the current season in foreign, non-Communist countries totaled about 2.2

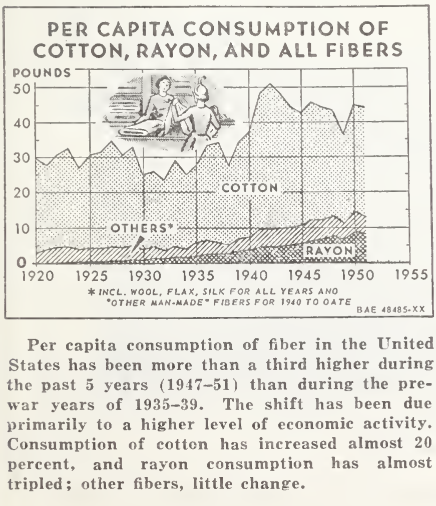
million bales more than a year earlier. Production in this group of countries is expected to be about the same as that in 1951–52 and consumption probably will be no higher than last season. In general, the world situation indicates that the foreign carry-over on August 1, 1953, will be somewhat larger than that of a year earlier.

The United States supply of cotton in the 1952–53 crop-year is estimated at about 17.7 million running bales, about 300 thousand bales larger than the 1951–52 supply. This includes a crop of 14.8 million running bales (14.9 million 500-pound bales), a beginning carry-over of 2.7 million, estimated imports of about 150 thousand, plus an allowance for "city crop" (rebaled samples).

Prices received by farmers during the 1951–52 season averaged 37.88 cents per pound and 109 percent of the parity price. The farm price was about 2 cents below the average for the preceding season. The average price received by farmers in mid-October of 37.02 cents per pound was 0.81 cents above the price of a year earlier.

Wool

A SLIGHTLY larger world supply of wool is expected for the 1952–53 season. Production probably will be up slightly from 1951–52, and stocks at the beginning of the season, including



Per capita consumption of fiber in the United States has been more than a third higher during the past 5 years (1947–51) than during the prewar years of 1935–39. The shift has been due primarily to a higher level of economic activity. Consumption of cotton has increased almost 20 percent, and rayon consumption has almost tripled; other fibers, little change.

a substantial quantity of unsold 1951–52 clip wool in South America, were somewhat larger. Production in the United States next year probably will be about the same as this year. The rate of sheep and lamb slaughter this year indicates that stock sheep numbers at the beginning of next year are likely to be about the same as this year.

With economic activity and consumer purchasing power likely to remain high during 1953, mill consumption in the United States next year is likely to exceed slightly that of this year if defense requirements do not decline. Mill use of apparel wool in the United States has trended gradually upward since early this year, when it reached the low of a decline which began in early 1951. The rate of carpet-wool consumption began to decline late in 1950 and reached the low of the decline during the summer of 1951.

World consumption of wool reached the low of a sharp decline during the third quarter of 1951 but has been at a slightly higher rate since then. Consumption in 1951 was below current production for the first time since World War II. It was also the lowest since World War II.

The world synthetic fiber industry plans a substantial increase in productive capacity for the manufacture of staple fiber. Expansion plans for rayon and acetate staple fiber call for an increase in capacity by late 1953 of almost 50 percent over 1951 output. Producers in the United States are planning an increase of almost 60 percent for rayon and acetate staple. Furthermore, the United States segment of the industry is planning for sufficient capacity for the newer synthetic staple fibers to permit production late next year at a rate equivalent to over four times 1951 output.

Prices received by growers for shorn wool this year have averaged below the national average loan value of 54.2 cents, grease basis, each month since the 1952 support program became effective. Since a substantial quantity of shorn wool has gone under loan, however, prices received this year probably will average near the national average loan value. This would be well below the record of 99.5 cents for the 1951 clip and slightly below the average of 57.3 cents in 1950. Growers' returns next year probably will not be greatly different from this year.

More of Our Crop Acreage Is Now Used for Food

AS THE CHART below will show, most of the Nation's cropland—and an increasing part of it—is now used to grow food. Farmers have been using more machines and fewer horses and mules to do their work. And since no feed is required for tractors and other machines, millions of acres of land formerly needed to grow feed for farm work stock are now used to grow crops that are used directly or indirectly for food.

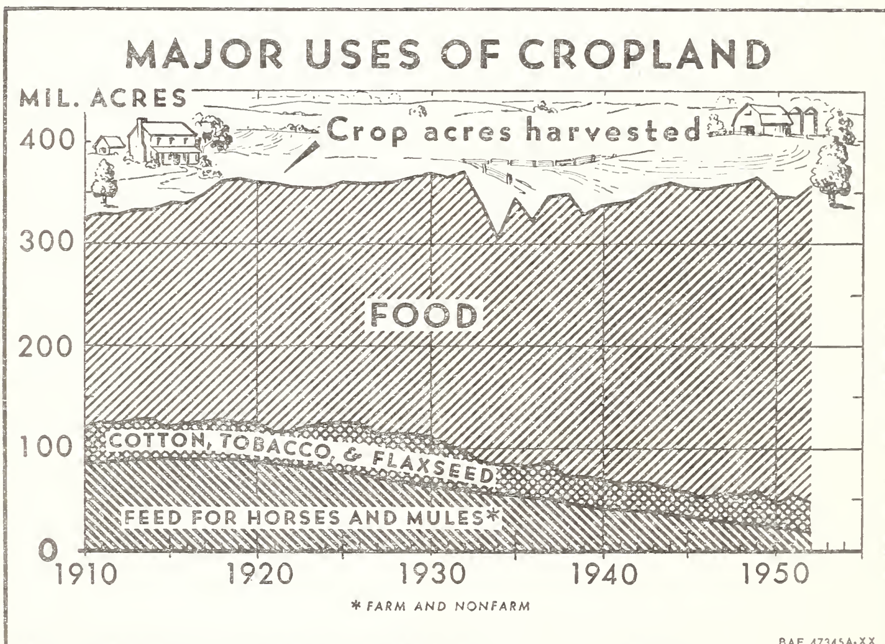
Forty years ago, nearly 90 million acres were used in this country to grow feed for horses and mules. In 1952 only about 19 or 20 million acres were so used . . . roughly, a shift from feed to food crops of 70 million acres.

Just in the last 15 years, the acreage shift has been especially noteworthy. Since 1937 the replacement of animal power by mechanical power has released 30 million acres of cropland from production of feed for horses and mules so that the acreage thus released could be used for human use.

The number of horses and mules on farms January 1, 1952, was only about 6.3 million—less than one-fourth the 1918 peak of 26.7 million.

Further declines in horses and mules can be expected in the future, but not at such rapid rate. With their numbers so greatly reduced from former levels, additional large reductions are relatively no longer possible. So it can be pointed out that this source of added cropland for food production is rapidly drying up, and that further increases in food production must come largely from increased per-acre yields and from further efficiency and increases in livestock production.

(See the farm mechanization chart on the back page)



The Situation for Farm Labor

THE SUPPLY of farm labor next year is expected to be sufficient, on the whole, to keep farm production at high levels, although wage rates may be up a little and the labor supply somewhat smaller than this year. Continued emphasis will have to be given to using labor efficiently, and to effective recruitment of labor.

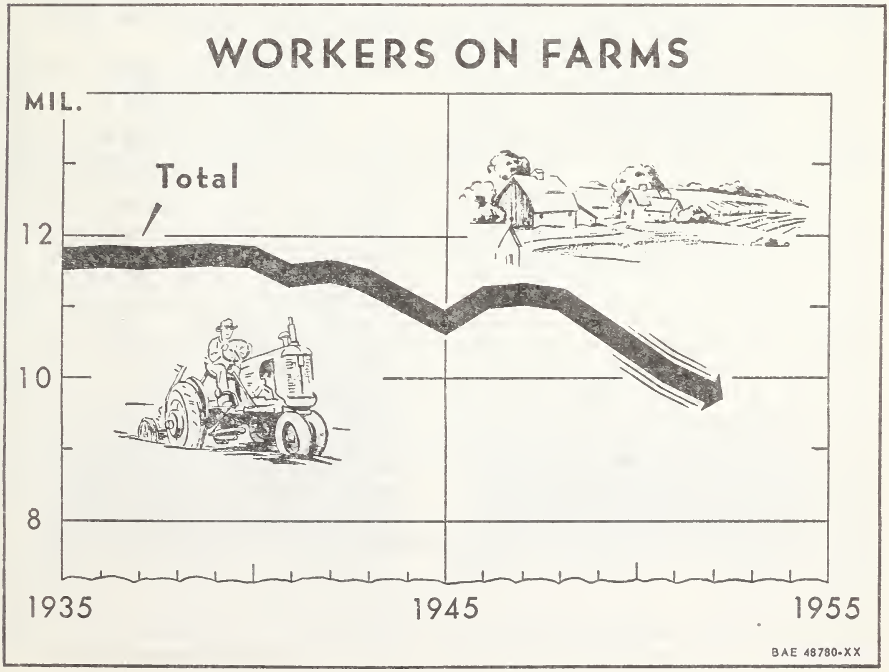
The number of workers employed on farms has decreased steadily during the past 15 years. Labor requirements of farmers have also declined substantially because of rapid gains in farm mechanization and better farming methods. As a result, output per farm worker is now the greatest on record. Further progress in mechanization and other advances in technology should lower labor requirements and reduce the number of workers needed on farms. Even so, the problem of replacing some skilled and dependable regular workers must be met if high-level production is to be maintained.

Prospects are that wages paid farm workers in 1953 may rise less than 5 percent, as compared with a rise of about 7 percent in 1952. The extent of the rise among areas will vary according to the extent of net losses of farm workers to industry and the Armed Forces, and changes in the demand for labor.

Although only a nominal increase in the net size of the Armed Forces is probable in 1953, the rotation of armed services' personnel will create labor problems for some farmers who will lose workers to the armed services. Farmers will need to plan for replacements, or make other adjustments in the operation of their farms.

Farm workers will continue to shift to nonfarm employment because of higher wages or improved working and living conditions. It may be good business for farmers in need of labor to be on the lookout for potential year-round workers and train them.

Difficulties may be experienced in getting adequate supplies of seasonal workers in some areas next year. Hiring more work on contract or custom basis, and exchanging labor, will help in meeting these difficulties.



The Farm Financial Outlook

TOTAL assets of American agriculture, including the financial assets of farmers, are expected to reach a value of 172.1 billion dollars by January 1, 1953. This would be only 2 percent above the valuation for January 1, 1952, compared with increases of 12 percent in 1950 and 9 percent in 1951.

Mostly Land and Buildings

Farm land and buildings which in early 1952 were valued at about 94 billion dollars—56 percent of all farm assets—can be expected to show some further small increases by early 1953. Some easing could develop in late 1953, however, if farm production and income are in line with present expectations. This could reduce farm real estate values somewhat below the present by early 1954. The values of machinery and motor vehicles, crops, and household furnishings and equipment are expected to be higher on January 1, 1953, than a year earlier primarily because of greater quantities on farms. Although livestock numbers will probably increase during 1952, the current level of prices would suggest a decline for the year in value of livestock inventories. The financial assets of farmers are expected to rise about 1 billion dollars—from 20.5 to 21.5 billion dollars—during 1952.

Offsetting a part of the expansion of farm assets during 1952 is an anticipated increase of about 1.7 billion dollars in farm debts—increases of 0.4 billion dollars for real estate debt and 1.3 billion dollars for non-real-estate debt, including Commodity Credit Corporation loans. These increases are occurring because of rising expenditures for the operation of farms, farmers' needs for large working balances, and continued investment by farmers in land, livestock, and farm and home improvements. Greater production and somewhat lower prices of some farm products are increasing the volume of price-support loans.

Farm-mortgage debt is increasing in 1952 for the seventh consecutive year, and at the end of the year will probably total about 6.7 billion dollars. This compares with 6.6 billion dollars on July 1, 1952, 6.3 billion dollars on January 1, 1952, and 4.7 billion dollars on January 1, 1946, when the total farm-mortgage debt was at its postwar low.

An increasing proportion of the farm-mortgage loans in recent years has been held by insurance companies, banks, and individuals. In early 1952, life insurance companies held about 24 percent of the farm-mortgage debt, compared with 19 percent in 1946. Insured commercial banks held 11 percent in 1946 and 16 percent in 1952. The share of total farm-mortgage debt held by the Farmers Home Administration decreased slightly from 3.9 percent in 1946 to 3.7 percent in 1952, and the share of the Federal land banks fell from 23 to 16 percent. This downward trend in the share of the Federal land banks may have been reversed during 1952 as their proportion of new recordings has risen this year. Other lenders held 40 percent of the total in 1952—a small rise from 38 percent in 1946.

Debt Not Excessive—Small Proportion of Value

The current level of farm-mortgage debt, in the aggregate does not seem excessive. At the beginning of 1952, total farm-mortgage debt was only 6.7 percent of the value of farm real estate, compared with 7.6 percent in 1946 and 19.6 percent in 1940. Estimated interest charges on farm-mortgage debt in 1952 are expected to represent less than 1 percent of farmers' gross receipts from marketing. Aggregate figures do not show the position of individual farmers, however. Younger farmers and others who have incurred heavy debts to purchase farms at high prices in recent years might face serious difficulties in the event of any substantial decline in farm income.

Non-real-estate debt owed by farmers to all types of lenders and creditors on July 1, 1952 (excluding nonrecourse CCC loans) was estimated at $8.3 billion, of which $4.8 billion was owed to

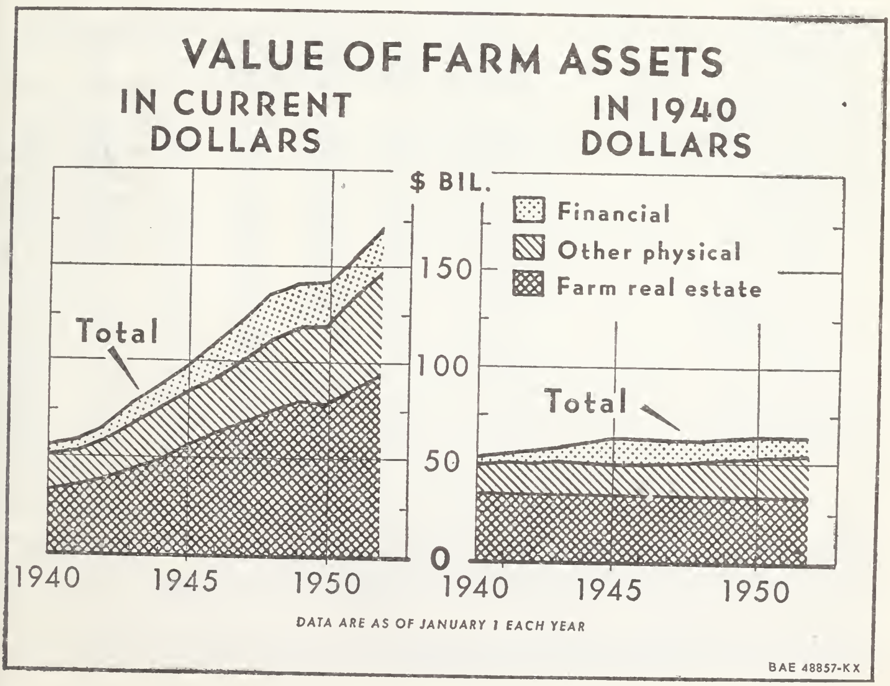
banks and federally sponsored lenders, and $3.5 billion to miscellaneous lenders. This total non-real-estate debt is about 12 percent above a year earlier and is substantially above any previous level.

The increase in non-real-estate farm debt during the last year is a continuation of the upward trend that began with the end of the war in 1945. The widespread expansion in non-real-estate debt during recent years is directly related to the increased expenditures of farmers. High production and rising prices, which have increased operation costs and required large investments in livestock and machinery, have been the chief causes of increased debt. Farm improvements, and purchases of automobiles, and appliances for farm homes have contributed to the credit expansion.

For the next year, because of high costs, it is probable that non-real-estate debts of farmers will continue to increase in most sections of the country. The rate of rise, however, is expected to be slower. One big factor that will tend to check the increase, especially in the Midwest and Far West, is the decline in feeder and range livestock prices. Also the upsurge in machinery purchases following the Korean outbreak has subsided. Further, debts are very large in many instances, and efforts will be made to reduce them. By January 1, 1953, the total non-real-estate debt (excluding nonrecourse CCC loans) for the United States will be about 8 billion dollars. Although this represents a seasonal decline from July, it will be about 10 percent above that of January 1, 1952.

After 1953 there may be a tendency for short-term debts of farmers to level off. If farm income shows signs of declining, lenders will watch their accounts closely and encourage the reduction or refinancing of the heavier loans. Farmers will usually be more conservative in their borrowing if they anticipate lower incomes. However, modern farming requires large amounts of working capital, and barring any farm depression, the volume of non-real-estate debt may be expected to remain large.

(*Continued on page 22*)



The non-real-estate credit condition of agriculture is, on the whole, sound. Notwithstanding the record level of this debt and its short term, relatively few farmers have experienced repayment difficulties. Compared with current farm income and inventory values of livestock and machinery, the debt is small. Nevertheless, some farmers, especially those getting started who have incurred heavy debts, are increasingly vulnerable to any significant drop in farm income.

Norman J. Wall
Bureau of Agricultural Economics

NEW BOOKLET ON CHRISTMAS TREES

Most Christmas trees to be sold commercially already are cut and on their way to market several weeks before Christmas, according to a new United States Department of Agriculture publication. The booklet, "Christmas Trees, the Tradition and the Trade" was prepared to answer the hundreds of requests the Forest Service receives each year for information on the Christmas tree industry, which is a source of income to many people. The booklet may be obtained for 10 cents from the Superintendent of Documents, Washington 25, D. C.

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	Average		Nov. 15, 1951	Oct. 15, 1952	Nov. 15, 1952	Effective parity prices Nov. 15, 1952 [2]
	Base period price [1]	January 1947–December 1949				
Basic commodities:						
Cotton American upland [3] (pound)........cents..	[4] 12.4	31.21	40.72	36.77	34.05	34.22
Wheat (bushel)........dollars..	[5] .884	2.14	2.19	2.07	2.13	2.44
Rice (cwt.)........do....	1.95	5.38	4.88	5.76	6.09	5.48
Corn (bushel)........do....	[5] .642	1.64	1.61	1.53	1.45	1.77
Peanuts (pound)........cents..	[5] 4.8	10.2	10.1	11.1	10.8	13.2
Designated nonbasic commodities:						
Potatoes (bushel)........dollars..	[6] 1.12	1.60	1.74	2.11	2.17	[7] 1.73
Butterfat in cream (pound)........cents..	26.7	71.2	71.7	73.5	72.3	75.0
All milk, wholesale (100 lb.) [8]........dollars..	1.68	4.42	5.15	5.28	[9] 5.38	4.72
Wool (pound)........cents..	20.9	46.0	65.8	50.4	49.9	58.7
Other nonbasic commodities:						
Barley (bushel)........dollars..	[5] .619	1.37	1.34	1.42	1.43	[7] 1.45
Cottonseed (ton)........do....	26.40	71.60	72.70	70.70	69.70	74.20
Flaxseed (bushel)........do....	1.65	5.54	4.10	3.73	3.75	4.64
Oats (bushel)........do....	[5] .399	.852	.911	.828	.845	[7] .935
Rye (bushel)........do....	.587	1.82	1.62	1.74	1.79	1.65
Sorghum, grain (100 lb.)........do....	[5] 1.21	2.53	2.37	2.87	2.82	[7] 2.84
Soybeans (bushel)........do....	1.00	2.84	2.77	2.71	2.71	2.81
Sweetpotatoes (bushel)........do....	.902	2.36	2.80	2.94	3.11	2.53
Beef cattle (100 lb.)........do....	7.36	20.20	27.50	22.00	21.30	20.70
All chickens (pound)........cents..	11.3	29.3	24.2	24.2	26.4	31.8
Eggs (dozen)........do....	[5] 21.5	46.6	56.5	50.4	51.9	[7] 50.4
Hogs (100 lb.)........dollars..	7.49	21.90	18.10	18.60	16.70	21.00
Lambs (100 lb.)........do....	8.09	21.90	29.00	22.20	20.90	22.70
Veal calves (100 lb.)........do....	8.21	22.60	30.50	23.80	23.60	23.10
Oranges, on tree (box)........do....	[6] 2.29	1.23	1.01	2.00	1.01	[7] 3.52
Apples (bushel)........do....	.991	2.39	2.06	2.72	2.82	2.78
Hay, baled (ton)........do....	[5] 11.87	22.40	23.10	25.60	26.00	[7] 27.90

[1] Adjusted base period prices 1910–14, based on 120-month average January 1942–December 1951 unless otherwise noted.
[2] Parity prices are computed under the provisions of title III, subtitle A, section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948 and 1949.
[3] Publication of price estimates and parity prices for American upland cotton in lieu of all cotton is being started with this report. For further details see "Agricultural Prices" for November 1952.
[4] All cotton.
[5] 60-month average, August 1909–July 1914.
[6] 10-season average 1919–28.
[7] Transitional parity, 85 percent of parity price computed under formula in use prior to Jan. 1, 1950.
[8] Prices received by farmers are estimates for the month.
[9] Preliminary.

Economic Trends Affecting Agriculture

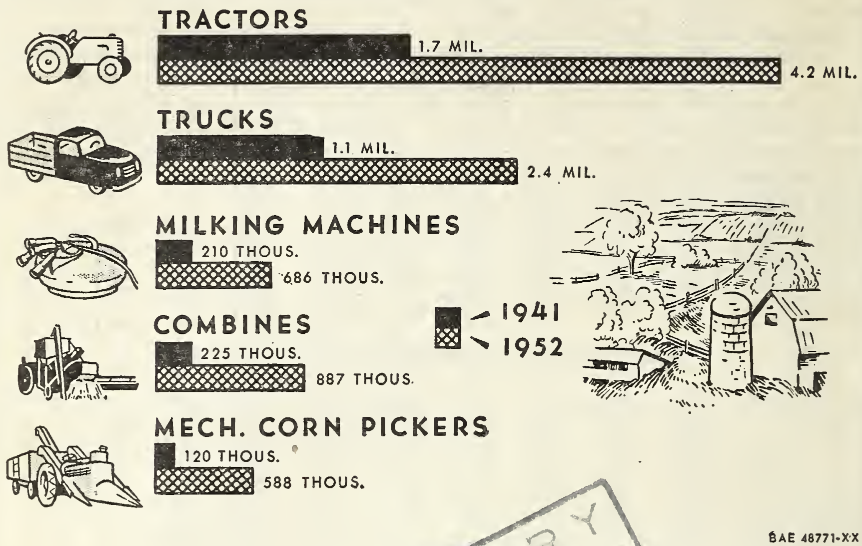
Year and month	Industrial production (1935–39=100)[1]	Total income of industrial workers (1935–39=100)[2]	Average earnings of factory workers per worker (1910–14=100)	Wholesale prices of all commodities (1910–14=100)[3]	Index numbers of prices paid by farmers (1910–14=100): Commodities	Index numbers of prices paid by farmers (1910–14=100): Wage rates for hired farm labor[4]	Index numbers of prices paid by farmers (1910–14=100): Commodities, interest, taxes, and wage rates	Index numbers of prices received by farmers (1910–14=100), Livestock and products: Dairy products	Livestock and products: Poultry and eggs	Livestock and products: Meat animals	Livestock and products: All livestock
1910–14 average	58	50	100	100	100	100	100	100	100	100	100
1915–19 average	72	90	152	158	149	147	148	147	153	162	157
1920–24 average	75	122	221	160	159	181	168	159	163	121	140
1925–29 average	98	129	232	143	151	184	161	161	155	145	152
1930–34 average	74	78	179	107	117	121	124	105	94	83	91
1935–39 average	100	100	199	118	124	121	125	119	108	117	115
1940–44 average	192	237	315	139	148	211	152	169	145	166	162
1945–49 average	186	317	431	204	219	407	229	264	213	291	265
1950 average	200	369	516	236	246	425	255	247	181	340	278
1951 average	220	425	566	263	271	470	281	284	226	411	335
1951											
November	219	426	575	260	274	--------	284	305	249	387	332
December	218	435	587	260	273	--------	284	314	233	379	328
1952											
January	221	429	582	254	275	498	287	316	200	376	320
February	222	430	584	253	276	--------	288	317	181	377	317
March	221	431	588	252	275	--------	288	305	177	372	310
April	216	421	574	251	276	510	289	291	180	372	306
May	211	421	581	251	276	--------	289	281	175	394	313
June	204	411	585	250	273	--------	286	277	181	380	306
July	193	395	573	251	273	506	286	286	208	376	312
August	[5] 214	435	590	252	274	--------	287	295	225	372	316
September	225	--------	[5] 605	251	271	--------	285	307	227	349	309
October	--------	--------	--------	250	269	499	282	316	228	328	301
November	--------	--------	--------	--------	268	--------	281	318	238	310	295

Year and month	Index numbers of prices received by farmers (1910–14=100), Crops: Food grains	Crops: Feed grains and hay	Crops: Tobacco	Crops: Cotton	Crops: Oil-bearing crops	Crops: Fruit	Crops: Truck crops	Crops: All crops	All crops and livestock	Parity ratio[6]
1910–14 average	100	100	100	100	100	100	--------	100	100	100
1915–19 average	193	161	183	175	201	126	--------	171	164	111
1920–24 average	147	125	189	197	155	157	[7] 152	162	150	89
1925–29 average	141	118	169	150	135	146	145	143	148	92
1930–34 average	70	76	117	77	78	98	104	84	88	71
1935–39 average	94	95	172	87	113	95	95	99	107	86
1940–44 average	123	119	241	138	170	150	164	145	154	101
1945–49 average	222	205	377	240	289	216	206	234	250	109
1950 average	224	187	402	280	276	200	185	232	256	100
1951 average	243	220	436	335	339	193	239	264	302	107
1951										
November	249	224	424	345	307	172	249	267	301	106
December	253	233	440	339	309	177	331	280	305	107
1952										
January	251	234	431	325	303	171	337	277	300	105
February	249	230	436	313	296	168	217	259	289	100
March	251	229	435	309	284	176	265	265	288	100
April	250	229	435	313	279	179	308	272	290	100
May	245	227	436	303	280	190	285	270	293	101
June	238	226	437	319	289	220	250	277	292	102
July	230	227	436	311	307	214	287	276	295	103
August	236	233	436	319	310	206	229	272	295	103
September	240	234	428	329	305	200	182	264	288	101
October	240	219	429	311	304	215	189	260	282	100
November	248	213	412	288	300	195	238	257	277	99

[1] Federal Reserve Board: represents output of mining and manufacturing; monthly data adjusted for seasonal variation.
[2] Computed from data furnished by Bureau of Labor Statistics and Interstate Commerce Commission on payrolls in mining, manufacturing, and transportation; monthly data adjusted for seasonal variation.
[3] Bureau of Labor Statistics.
[4] Farm wage rates simple averages of quarterly data, seasonally adjusted. [5] Revised.
[6] Ratio of index of prices received to index of prices paid, interest, taxes, and wage rates. This parity ratio will not necessarily be identical to a weighted average percent of parity for all farm products, largely because parity prices for some products are on a transitional basis. [7] 1924 only.

PRINCIPAL MACHINES ON FARMS

Now and Before Pearl Harbor



60% More Farm Machinery and Farm Power

SINCE January 1, 1941, the increase in demand for farm products and the decrease in number of workers on farms have helped to speed up farm mechanization.

During this period numbers of farm tractors have increased about 150 percent, motor trucks on farms 120 percent, milking machines 225 percent, grain combines 300 percent, and corn pickers about 400 percent.

Taking into consideration changes in numbers of all kinds of machines, as well as of horses and mules, it appears that farmers this year have about 60 percent more farm power and machinery, in total, than just before Pearl Harbor.

UNITED STATES
DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
WASHINGTON 25, D. C.
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(GPO)

U. S. GOVERNMENT PRINTING OFFICE: 1952